I, too, want to extend sincere thanks to my colleagues on the Military Advisory Board. I am immensely grateful for the chance to serve, once again, with these leaders. Immensely grateful. And I think the best way I can honor them right now is by sticking to the schedule, and keeping my remarks brief.

As chairman, my role is to explain some of the key findings.

We found that America’s current energy posture constitutes a serious and urgent threat to our national security. This is a threat that can and will be exploited by those who wish to do us harm.

- This energy threat impacts the military. Our inefficient use of oil adds to the already great risks assumed by our troops. It reduces combat effectiveness. It puts our troops – more directly and more often – in harm’s way. Ensuring the flow of oil around the world stretches our military thin – and these are the same men and women already fighting wars on two fronts.

- This energy threat impacts our foreign policy. Our dependence on oil – not just foreign oil – reduces our leverage internationally and sometimes limits our options. I say all oil, because we simply do not have enough resources in this country to free us from the stranglehold of those who do. We find ourselves entangled with unfriendly rulers and undemocratic nations simply because we need their oil. And we cannot produce enough oil to change this dynamic – we have to wean ourselves from it.

- This energy threat directly undermines our fight against terror. In 2008, we sent $386 billion overseas to pay for oil – much of it going to nations that wish us harm. This is an unprecedented and unsustainable transfer of wealth to other nations. It puts us in the untenable position of funding both sides of the conflict.

- This energy threat also impacts our economy. We are in the midst of a financial crisis, and our approach to energy is part of the problem. We are heavily dependent on a global petroleum market that is highly volatile. In the last year alone, the per-barrel price of oil climbed as high as $140, and dropped as low as $40. And this price volatility is not limited to oil – natural gas and coal prices also so huge spikes in the last year. While these resources may be plentiful, they are increasingly difficult to access, and have associated impacts, such as slurry spills. The economic and environmental costs are steep. There are those who say we cannot afford to deal with our energy issues right now. But if we don’t address our long-term energy profile now – future crises will dwarf this one.

We found that energy, climate change and national security are inextricably linked.
• Our first report – *National Security and the Threat of Climate Change* – showed that, unless we take dramatic steps to slow it, climate change will lead to an increase in conflicts, and an increase in conflict intensity, all across the globe. Climate change is a threat multiplier; it can make all of our existing security threats much greater.

• It’s in this context – a world shaped by climate change – that we must make new energy choices. We cannot pursue energy independence by taking steps that would contradict our emerging climate policy. Energy security and a sound response to climate change cannot be achieved by pursuing more fossil fuels. They require diversification of energy sources. They require a serious commitment to renewable energy. Not for environmental reasons – for national security reasons.

We found that the fragile state of America’s domestic electricity grid is in fact a serious threat to our national security.

• Nearly all of our stateside military installations depend on our domestic electricity grid. When it fails, critical elements of our military and homeland security systems can also fail, and impact missions overseas.

• There are other reasons to consider upgrades to the grid. We see the national security reasons.

Confronting this energy challenge is paramount for the military – and we call on the Department of Defense to take a leadership role in transforming the way we get, and use, energy in the military. By addressing its own energy security needs, DoD can stimulate the market for new energy technologies and vehicle efficiencies.

But achieving the end state requires a national approach and strong leadership at the highest levels of our government.

Some may be surprised to hear former generals and admirals talk about energy efficiency and renewable energy, but they shouldn’t be. In the military, you learn that force protection isn’t just about protecting weak spots; it’s about reducing vulnerabilities before you get into harm’s way. That’s what this work is about.

Now, I’m pleased to introduce Ashton Carter, Undersecretary for Acquisition, Technology and Logistics.